

STATE OF SOUTH CAROLINA

(Caption of Case)

In re:

Petition of Duke Energy Carolinas, LLC For
Approval of Energy Efficiency Programs And An
Accounting Order To Defer Costs Incurred in
Connection with Development and Implementation
of Energy Efficiency Programs

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2009 - - E

(Please type or print)

Submitted by: Catherine E. Heigel

SC Bar Number: 9268

Address: 526 S. Church Street, EC 03T
Charlotte, NC 28202

Telephone: 704-382-8123

Fax: 704-382-5690

Other:

Email: ceheigel@duke-energy.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009- -E

In the Matter of:)	
)	
Petition of Duke Energy Carolinas, LLC)	
For Approval of Energy Efficiency)	DUKE ENERGY CAROLINAS'
Programs And An Accounting Order To)	PETITION FOR APPROVAL OF
Defer Costs Incurred in Connection with)	ENERGY EFFICIENCY PROGRAMS
Development and Implementation of)	AND AN ACCOUNTING ORDER
Energy Efficiency Programs)	

Duke Energy Carolinas, LLC (“Duke Energy Carolinas” or the “Company”) hereby files with the Public Service Commission of South Carolina (the “Commission”) pursuant to S.C. Code Ann. § 58-27-1540 (Supp. 2008) and 26 S.C. Code Ann. Reg. 103-825 (1976, as amended) a petition seeking (1) approval of a portfolio of energy efficiency¹ programs, as more fully described herein, and (2) an accounting order for regulatory accounting purposes authorizing the Company to defer in a regulatory asset account all costs that are being or will be incurred by the Company in connection with the development and implementation of its energy efficiency programs pending a decision by the Commission on the appropriate compensation model for such activities in the general rate case the Company will file later this year. Further, Duke Energy Carolinas requests assurance from the Commission that the Company may true-up

¹ The term “energy efficiency,” as used in this Petition, includes both energy efficiency/conservation and demand-side management/demand response measures.

incentives for costs deferred pursuant to this petition in accordance with the Commission's order on the appropriate compensation mechanism in the Company's general rate proceeding.

The request for relief set forth herein will not involve a change to any of Duke Energy Carolinas' retail rates or prices at this time, or require any change in any Commission rule, regulation or policy. In addition, the issuance of the requested accounting order will not prejudice the right of any party to address these issues in the subsequent general rate case proceeding. Accordingly, neither notice to the public at-large, nor a hearing is required regarding this Petition.²

In support of this petition, Duke Energy Carolinas respectively shows the Commission the following key facts and petitions the Commission for the following relief:

Name and Address of Duke Energy Carolinas

- 1) The correct name and post office address of the Company are:

Duke Energy Carolinas, LLC
Post Office Box 1006
Charlotte, NC 28201-1006

Notices and Communications

- 2) The names and addresses of the attorneys of Duke Energy Carolinas who are authorized to receive notices and communications with respect to this petition are:

Catherine E. Heigel, Associate General Counsel
Duke Energy Carolinas, LLC
P. O. Box 1006 (EC03T)
Charlotte, NC 28201-1006
Telephone: 704-382-8123
Email: ceheigel@duke-energy.com

All correspondence and any other matters relating to this proceeding should be addressed to the Company's authorized representative listed above.

² As a courtesy, Duke Energy Carolinas has provided an advance copy of this filing to the parties of record in Docket No. 2007-358-E, the Company's last energy efficiency proceeding.

Description of the Company

- 3) Duke Energy Carolinas is engaged in the generation, transmission, distribution, and sale of electric energy at retail in the central and western portions of North Carolina and the western portion of South Carolina. The Company also sells electricity at wholesale to municipal, cooperative and investor-owned electric utilities and its wholesale sales are subject to the jurisdiction of the Federal Energy Regulatory Commission. Duke Energy Carolinas is a corporation organized and existing under the laws of North Carolina authorized to transact business in the State of South Carolina and is a public utility under the laws of that State. Accordingly, its operations in South Carolina are subject to the jurisdiction of the Public Service Commission of South Carolina pursuant to the provisions of Chapter 27 of Title 58 of the South Carolina Code of Laws.

Energy Efficiency Programs

- 4) Duke Energy Carolinas attaches to this Petition as Exhibit No. 1 ten (10) tariffs and one service agreement for the Commission's approval. Specifically, the Company seeks approval of its PowerShare[®] Service Agreement, as well as tariff filings for Schedule HP – X, Residential Energy Assessments, PowerShare[®], Power Manager, Nonresidential Smart Saver[®], Residential Smart Saver[®], Residential Smart Saver[®] for Air Conditioning, Nonresidential Energy Assessments, Energy Efficiency Education Program, and Low Income Energy Efficiency and Weatherization (the "Programs"). The Programs are identical to the programs previously filed by the Company for approval in Docket No. 2007-358-E on November 21, 2008. Duke Energy Carolinas also has several additional programs under development and anticipates filing these programs soon.

- 5) The Company developed its Programs in collaboration with interested stakeholders participating in the Company's South Carolina Energy Efficiency Collaborative Group (the "Collaborative"). The Collaborative includes a diverse group of customers, state agencies, environmental groups, and other stakeholders. Participants in the Collaborative include The South Carolina Office of Regulatory Staff, The Timken Corporation, Sierra Club, Environmental Edge Consulting, The University of South Carolina Upstate, Greenville County Schools, and the South Carolina State Energy Office. Advanced Energy Corporation moderates each meeting of the Collaborative. Advanced Energy Corporation is a non-profit national resource based in North Carolina that works with utilities to develop programs and services to benefit their customers. Duke Energy Carolinas continues to evaluate ways to enhance its stakeholder engagement process and remains open to working with interested groups to develop new programming ideas.

The Company employed a three-step process to determine the programs to be included in the proposed portfolio. First, it compiled a list of energy efficiency programs already offered and tested by Duke Energy Carolinas' and its affiliate utility operating companies. Implementing programs already offered by the Company's affiliates is likely to result in lower costs and operational efficiency through shared administration and best practices. Second, the Company solicited new program ideas from all members of the Collaborative and solicited direct input from South Carolina customers through primary research. Third, the Company refined these ideas, applying multiple cost-effectiveness analyses to evaluate all current or proposed programs. Programs deemed cost-effective were incorporated into a master list of program ideas, reviewed and agreed to by the

Collaborative members, and finally, consolidated into the list of energy efficiency programs included in the portfolio.

- 6) The Programs are designed to greatly expand the reach of energy efficiency in the Company's South Carolina service territory by providing more options for customers to control their energy usage and manage their bills. During these tough economic times, the Programs can generate real bill savings for South Carolina citizens and businesses at a time when they need it most. The programs also provide customers with the opportunity to lower their environmental footprint through direct participation in energy efficiency. Duke Energy Carolinas' proposal includes the following mix of conservation and demand-response programs:

- a) **Residential Energy Assessments** are designed to help residential customers identify opportunities to use energy more efficiently through mail-in analysis, on-line analysis, and on-site energy audit. Participating customers will receive either an energy efficiency kit or compact fluorescent light bulbs at the time of audit to begin their energy savings immediately.
- b) **Non-Residential Energy Assessments** are designed to help general service and industrial customers identify opportunities to use energy more efficiently through on-line analysis, telephone interviews, and on-site energy audits.
- c) **Smart Saver[®] and Smart Saver[®] for Air Conditioning** will provide residential customers with incentives to install more energy-efficient, ENERGY STAR[®] certified equipment, such as compact fluorescent light bulbs and high-efficiency air conditioners and heat pumps. The non-residential customer program

will provide incentives to install high-efficiency lighting, heating, ventilation, and air conditioning equipment, motors, pumps, and other high efficiency equipment.

d) **Low Income Energy Efficiency and Weatherization** will assist low income residential customers with energy efficiency measures using kits or through assistance in purchasing equipment and weatherizing homes.

e) **Power Manager** will enable residential customers to receive a monthly credit from July to October in exchange for allowing Duke Energy to cycle their central air conditioning systems in times of peak power demand and to interrupt the central air conditioning when the Company has capacity constraints.

f) **PowerShare®** will enable nonresidential customers to receive a credit on their bills in exchange for reducing their electric use in times of peak power demand or unexpected capacity constraints.

- 7) In connection with the implementation of the proposed portfolio of energy efficiency programs, the Company requests approval to cancel Riders IS, SG, and LC, as well as the Existing Residential Housing Program (Leaf 142). Riders IS and SG are replaced in the new portfolio with PowerShare®. Rider LC is replaced in the new portfolio with Power Manager. The Existing Residential Housing Program (Leaf 142) is replaced by the Smart Saver® Program. No changes are proposed at this time for the Residential Energy Star rate. Customers currently enrolled in Riders IS and SG will be given up to twelve months to transition to the new programs. Customers on Rider LC will automatically be converted to Power Manager, but will be given advance notice that they can request removal from the new program at any time.

Accounting Treatment

- 8) Based on the foregoing, Duke Energy Carolinas seeks an order from the Commission authorizing the Company to defer as a regulatory asset all costs incurred in connection with the Company's development and implementation of the Programs. The Company will file a general rate proceeding later this year. The Company anticipates seeking specific authority at that time to collect revenues sufficient to cover the Company's energy efficiency program costs, lost revenues, and an incentive, including the balance of the requested deferred costs charged as a regulatory asset.

Effective Date

- 9) Development costs will be incurred in advance of implementing the Programs; however, for purposes of this Petition only, the Company requests that the deferral be effective for costs incurred on and after June 1, 2009, the expected start date for implementation of the Programs. The accounting order will not preclude the Commission from addressing the reasonableness of the costs deferred in the regulatory asset account in the Company's general rate proceeding later this year.
- 10) Duke Energy Carolinas requests an order approving this deferral as soon as possible, but no later than May 31, 2009.

Conclusion

- 11) In summary, approving the Programs and authorizing deferral of the costs relating to development and implementation of the Programs will benefit the Company's customers by providing much-needed energy efficiency programming options that can help reduce their bills and lower their environmental footprint. Further, timely approval of the Company's Petition will help position Duke Energy Carolinas to have programs available

to customers coincident with the possible receipt of grant monies by the state issuing from the federal government pursuant to Section 410 of Title VII of the 2009 American Recovery and Reinvestment Act³ (also known as the Stimulus Bill).

The Commission recently has authorized similar deferral accounting treatment for South Carolina Electric and Gas Company in Docket No. 2009-98-E for the costs of energy efficiency programs. Thus, Commission precedent supports similar treatment for the costs at issue here. Finally, Duke Energy Carolinas would note that the Company's requests in this Petition are consistent with the recommendation of the Southern Environmental Law Center, Southern Alliance for Clean Energy, Environmental Defense Fund and Coastal Conservation League (collectively, the "Environmental Parties") in Docket No. 2007-358-E. On December 10, 2008, the Environmental Parties filed a letter with the Commission in the aforementioned docket in which they recommended, in part, that "a possible interim solution would be to approve the Save-a-watt programs on an interim basis, with incurred costs placed into a deferred account for later true-up once an appropriate compensation mechanism is approved."

WHEREFORE, having set forth its Petition, Duke Energy Carolinas respectively requests the Commission to issue an order (i) approving the Program tariffs and service agreement set forth in Exhibit No. 1; (ii) cancelling Riders IS, SG, and LC, as well as the Existing Residential Housing Program (Leaf 142); (iii) allowing the Company to establish a regulatory asset account to which it may charge the costs incurred related to development and implementation of the Programs from June 1, 2009 until the date these costs are reflected in electric rates; (iv) stating that the Company may true-up incentives for costs deferred pursuant to this petition in

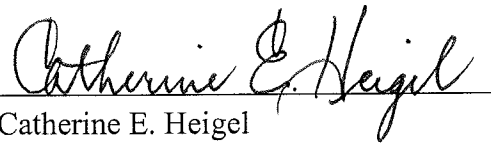
³ American Recovery and Reinvestment Act of 2009, 111 P.L. 5, 123 Stat. 115 (2009).

accordance with the Commission's order on the appropriate compensation mechanism in the Company's general rate proceeding; and (v) granting such other and further relief as is just and proper.

Respectfully submitted this 15th day of April, 2009.

DUKE ENERGY CAROLINAS, LLC

BY:

A handwritten signature in cursive script, reading "Catherine E. Heigel", written over a horizontal line.

Catherine E. Heigel
Associate General Counsel
Duke Energy Carolinas, LLC
526 South Church Street/03T
Charlotte, North Carolina 28202

EXHIBIT NO. 1

RIDER PS (SC)
POWERSHARE NON-RESIDENTIAL LOAD CURTAILMENT

AVAILABILITY (South Carolina only)

Available on a limited and voluntary basis, at the Company's option to nonresidential customers receiving concurrent service from the Company on Schedule G, GA, I, OPT, MP and HP-X; however, customers on Schedule HP-X are eligible only for the Mandatory Curtailment Option. This Rider is not available to customers receiving service on Rider NM or Rider SCG. The Company shall limit the acceptance of contracts under the Mandatory Curtailment and Generator Curtailment Option to a collective total of 1,500,000 KW of Maximum Curtailable Demand on the Company's system.

GENERAL PROVISIONS

Under this Rider the Customer receives credits when, at the Company's request, the Customer agrees to reduce and maintain his load to a level specified in the individual contract, or as nominated on a per event basis, or transfers load to a standby generator, under one of the curtailment options below. The provisions of this Rider apply in addition to the stated provisions of the Customer's rate schedule.

Service under the Mandatory or Voluntary options of this Rider will not begin until, or unless the Company has satisfactory interval load data for the purposes of establishing the Forecasted Demand.

Continued service under this Rider is subject to satisfactory performance by the Customer, as determined by the Company, in response to the Company's request for curtailment.

DEFINITIONS

Contract Demand: The Contract Demand is the maximum kilowatt demand which the Company shall be required to supply to the Customer.

Maximum Curtailable Demand: The Maximum Curtailable Demand of not more than 50,000 KW is either (a) that portion of the Contract Demand which the Company will supply to the Customer at all times except during Curtailment Periods under the Mandatory or Voluntary Curtailment Option or (b) the capacity the Customer agrees to transfer from the Company's source to the standby generator during Curtailment Periods under the Generator Curtailment Option. The customer will be required to curtail at least 200 kW during Curtailment Periods under the Mandatory or Voluntary Curtailment Option. The customer will be required to transfer at least 200 kW during Curtailment Periods and Tests under the Generator Option

Firm Demand: The Firm Demand is that portion of the Contract Demand which the Company will supply to the Customer without limitation on periods of availability under the Mandatory or Voluntary Curtailment Option, and is the same value all months of the year. For customers served on Schedule HP-X, the Firm Demand must be less than the Customer Baseline (CBL).

Forecasted Demand: The Forecasted Demand is the kW per hour which the customer would be expected to register absent a Curtailment Period and is used to determine the Energy Credits applicable under the Mandatory or Voluntary Curtailment Option.

Curtailment Period: A Curtailment Period is that interval of time, initiated and terminated by the Company, (a) during which the participating customer will require service at no more than the Firm Demand under the Mandatory or Voluntary Curtailment Option, or (b) during which the Customer is requested to offset load from the Company's source by transferring load to the Customer's engine/generator unit under the Generator Curtailment Option.

Exposure Period: The Exposure Period is that period of time within the month corresponding to the weekday peak demand periods and during which curtailment under these provisions is most likely to occur. Specifically, the Exposure Period for the purpose of computing monthly credits is defined as follows:

Summer Months of June through September
1:00 p.m. to 9:00 p.m., Monday through Friday

Winter Months of October through May
6:00 a.m. to 1:00 p.m., Monday through Friday

MANDATORY CURTAILMENT OPTION

GENERAL PROVISIONS

Contracts for Mandatory Curtailment service will be accepted by the Company for not more than 50,000 KW of Maximum Curtailable Demand. The Company's request to curtail service under this option may be at any time the Company has capacity constraints, including generation, transmission or distribution capacity constraints or reactive power concerns. The Company, at its sole discretion, may limit requests for curtailment to certain groups of customers for valid reasons.

Under this option the customer agrees to reduce and maintain load to the Firm Demand specified in the contract. Customers served under the Mandatory Curtailment Option may also contract for service under the Voluntary Curtailment Option, but may not contract under the Generator Curtailment Option.

The Company reserves the right to test the provisions of this Rider twice per year, and shall give advance notice of any test to customers served under this Rider.

TRANSITION PROVISION

Customers served under Rider IS on (the date Rider PS is initially approved) are eligible to enter into a new contract for Rider PS, Mandatory Curtailment Option, on or before (date 12 months from approval of Rider PS) with an original term not less than three (3) years and under which the capacity credits will remain at the level approved effective (the date Rider PS is initially approved) through (date 48 months after Rider PS is initially approved) Effective (date 48 months after Rider PS is initially approved), contracts entered into under the foregoing provision will automatically renew annually until terminated as outlined herein; however, the capacity credits will be the approved credits in effect on (date 48 months after Rider PS is initially approved), and thereafter be subject to change as approved by the South Carolina Utilities Commission.

RATE

Facilities Fee \$ 40.00 per month

Credits*

1. Capacity Credit

Each month, a determination of the curtailable capacity available to the Company during the Exposure Period will be made in order to compute a credit under the Mandatory Curtailment Option. The resulting amount will be the Effective Curtailable Demand (ECD) and shall not be less than zero. The monthly Capacity Credit is equal to the ECD X \$3.50/kW.

2. Energy Credit

During any month when curtailment is requested, the Customer will also receive an energy credit of \$.10 per kWh for the energy curtailed between the Firm Demand and the Forecasted Demand during a Curtailment Period.

* HP-X customers see Schedule HP-X, Provision For Customers Served Under Rider PS

Penalty and Penalty Computation

If the Customer fails to reduce and maintain load at, or below the Firm Demand during any Curtailment Period, a penalty will be applied to the Customer's account for the month of occurrence at the rate of \$2.00 per kWh for all kWh used above the Firm Demand.

CONTROL NOTICES AND LIMITATIONS

The Customer shall be notified of all initiations of Curtailment Periods at least thirty (30) minutes prior to such times. The Company may invoke Curtailment Periods for not more than 100 hours in any year. Further, the Company shall have the right to invoke a Curtailment Period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

VOLUNTARY CURTAILMENT OPTION

GENERAL PROVISIONS

The Company's request to curtail service under the Voluntary Curtailment Option may be at any time. Under this option, the customer agrees, on a per event basis, to reduce load to a Firm Demand. Customers served under the Voluntary Curtailment Option may also contract for service under the Mandatory Curtailment Option, but may not contract under the Generator Curtailment Option.

Customers who agree to curtail load during a Curtailment Period must indicate their desire to participate in the event in accordance with an offer, the details of which will be posted on the Duke Energy web site. The Customer will be required to nominate an amount of load to be reduced during the Curtailment Period by establishing a Firm Demand. Customer nominations to curtail load will be accepted on a first-come, first-served basis, and are not firm until the Company has accepted the Customer's nomination. Prior to acceptance of any nomination, the Company may rescind the offer based on customer responses to the offer or due to changes in load conditions.

Under the Voluntary Curtailment Option each participating customer will receive notice of an offer to participate in a curtailment event. In no case will the notice be given less than one hour prior to the beginning of the Curtailment Period. The offer will include the hourly energy prices (\$/ kWh) for each hour of the Curtailment Period to be used to determine the Energy Credit.

The Company reserves the right to test the provisions of this Rider twice per year, and shall give advance notice of any test to customers served under this Rider.

RATE

Facilities Fee \$ 40.00 per month (see Exception)

Exception. The Facilities Fee does not apply to customers concurrently enrolled under the Mandatory Curtailment Option.

Credits

Energy credits will be paid to the customer for the load curtailed between the Forecasted Demand and the Firm Demand during the Curtailment Period. Energy Credits are not paid for load curtailed below the Firm Demand.

Penalty and Penalty Computation

No payment will be made to the customer during a Curtailment Period unless the customer curtails at least 50% of the nominated load reduction in kilowatt hours.

CONTROL LIMITATIONS

The Company may invoke Voluntary Curtailment Periods for an unlimited number of hours per year with no limit on the number of hours in any given calendar day.

CONCURRENT PARTICIPATION IN THE MANDATORY CURTAILMENT AND VOLUNTARY CURTAILMENT OPTION

For Customers participating under both the Mandatory Curtailment Option and the Voluntary Curtailment Option, the following provisions apply:

If prior to or during any Voluntary Curtailment Period the Company invokes a Mandatory Curtailment request, any customer participating in the Voluntary Curtailment Period will receive notice under the Mandatory Curtailment provision and be required to also comply with the Mandatory Curtailment provisions.

If prior to or during any Mandatory Curtailment period the Company invokes a Voluntary Curtailment request, any customer participating in the Mandatory Curtailment Period may receive an offer under the Voluntary Curtailment provision and be allowed to participate in the Voluntary Curtailment Period by providing additional curtailable load beyond their Mandatory Curtailment Option obligation.

Credits and penalties under the Mandatory Curtailment Option take precedence and will be determined before calculating credits under the Voluntary Curtailment Option. For concurrent participation in a Mandatory and Voluntary Curtailment event, the requirement under the Voluntary Curtailment Option to curtail at least 50% of the nominated load will be waived for Mandatory and Voluntary Curtailment Periods that run concurrently. In addition, during a concurrent Mandatory and Voluntary Curtailment Period, credits for the Voluntary Curtailment Period will exclude all load curtailed pursuant to the Mandatory Curtailment provisions.

GENERATOR CURTAILMENT OPTION

GENERAL PROVISIONS

Contracts for Generator Curtailment will be accepted for a minimum of 200 KW of load to be transferred from the Company's source to the standby generator. Under this option, the customer agrees to provide a source of capacity through load reduction at any time the Company has capacity constraints, including generation, transmission or distribution capacity constraints or reactive power concerns. The Company, at its sole discretion, may limit requests for curtailment to certain groups of customers for valid reasons. The Generator Option is not available to customers served under the Mandatory Curtailment Option or the Voluntary Curtailment Option.

When the Company requests the operation of the standby generator, a watt-hour meter(s) installed on or near the generator bus of the Customer's facility will record the kWh output at the generator. The Customer shall supply a 110-volt continuous source of power for the meter.

The Company will test the operation of the Customer's generator(s) each month, during which time the Customer will transfer load from the Company's source to the generator(s).

TRANSITION PROVISION

Customers served under Rider SG on (the date Rider PS is initially approved) are eligible to enter into a new contract for Rider PS, Mandatory Curtailment Option, on or before (date 12 months from approval of Rider PS, with an original term not less than three (3) years and under which the capacity credits will remain at the level approved effective (the date Rider PS is initially approved) through (date 48 months after Rider PS is initially approved) Effective (date 48 months after Rider PS is initially approved), contracts entered into under the foregoing provision will automatically renew annually until terminated as outlined herein; however, the capacity credits will be the approved credits in effect on (date 48 months after Rider PS is initially approved), and thereafter be subject to change as approved by the South Carolina Utilities Commission

RATE

Facilities Fee \$ 155.00 per generator meter per month (See Exception)

Exception: If, in the Company's sole opinion, cellular communication technology cannot be utilized to retrieve data from the meter, the customer may still be allowed to participate in the Generator Option by providing, at his expense, a dedicated telephone line. In such a case, the Facilities Fee will be reduced by \$30.00.

Credits

1. Capacity Credit

The Customer will receive a Capacity Credit of \$3.50 per kW based on the average capacity generated, based on kilowatt-hours associated with the Maximum Curtailable Demand, during all Curtailment Periods of the current month and all tests.

2. Energy Credit

The Customer will receive an Energy Credit of \$.10 per kWh based on the metered output of the Customer's generator, for all kWh below the Maximum Curtailable Demand, during Curtailment Periods of the month and all tests.

Penalty and Penalty Computation

If the Customer fails to transfer to the generator at least 50% of the Maximum Curtailable Demand on a continuous basis, during a Curtailment Period, a penalty will be applied to the Customer's account for the month of occurrence at the rate of \$2.00 per kWh for the difference between the generated capacity and 50% of the Maximum Curtailable Demand.

CONTROL NOTICES AND LIMITATIONS

The Customer shall be notified of all initiations of Curtailment Periods at least fifteen (15) minutes prior to such times. The Company may invoke Curtailment Periods for not more than 100 hours in any year. Further, the Company shall have the right to invoke a Curtailment Period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

CONTRACT

MANDATORY CURTAILMENT OPTION AND GENERATOR OPTION

The Mandatory Curtailment Option and Generator Curtailment Option shall have an original minimum term of three (3) years, and shall renew annually thereafter until terminated by the Customer giving at least twelve (12) months' previous notice of such termination in writing. In the event the Customer requests an amendment to or termination of the service agreement for this rider before the end of the original term or required notice period, which ceases or reduces the Customer's obligation to curtail load, and continues the agreement for service under the applicable rate schedule at the same location, the Customer shall pay a termination fee as follows:

1. \$42.00 per kW of the average monthly Effective Curtailable Demand measured during the previous 12 months.

Plus

2. The monthly Facilities Fee for each month in the remaining original term of contract and required notice period.

The termination fee may be adjusted based on the Maximum Curtailable Demand established in an amended contract by the customer.

VOLUNTARY CURTAILMENT OPTION

The Voluntary Curtailment Option shall have a minimum original term of one (1) year and shall renew annually thereafter until terminated by the Customer giving at least sixty (60) days previous notice of such termination in writing. In the event the Customer requests termination of service under this Rider before the end of the original term, and continues the agreement for service under the applicable rate schedule at the same location the Customer shall pay a termination fee equal to the monthly Facilities Fee for each month in the remaining original term of contract and required notice period

The Company reserves the right to terminate the Customer's Contract under this Rider at any time upon written notice to the Customer for the failure to perform satisfactorily during three or more events as determined by the Company, in response to requests for curtailment, or for violation of any of the terms or conditions of the applicable Schedule or this Rider.

RIDER PM (SC)
POWER MANAGER LOAD CONTROL SERVICEAVAILABILITY (South Carolina only)

Available to individually-metered residential customers receiving concurrent service from the Company on Schedule RS, RE, RB, or ES, who are not served under Rider SCG.

This Rider is available on a voluntary basis, at the Company's option, in areas where the Company operates load control devices. This Rider is available for control of electric central air conditioning (cooling) systems where the following requirements are met:

1. The Customer must agree to control of all central air conditioning installed in the residence.
2. The Company shall have the right to require that the owner of the controlled equipment give satisfactory written approval for the Company's installation and operation of load control devices on that equipment before entering an agreement with the Customer and making such installation.
3. Neither the Customer nor his agent shall disconnect or otherwise interfere with the Company's equipment required to control the Customer's air conditioning system.
4. The Customer shall immediately notify the Company of the removal or damage to the Customer's equipment or the remote control unit.

INTERRUPTION PERIODS

The Company shall have the right to interrupt service to the Customer's central air conditioning (cooling) systems at any time the Company has capacity problems, including generation, transmission or distribution capacity problems or reactive power problems.

In addition, the Company shall have the right to intermittently interrupt (cycle) service to the Customer's central electric air conditioning (cooling) systems. The Company will restrict its operation of the load control devices so that during the eighteen (18) hour period from 6:00 a.m. to 12 midnight, the total duration of cycling interruption shall not exceed ten (10) hours.

The Company, at its sole discretion, may limit requests for curtailment to geographic regions for valid reasons.

The Company reserves the right to test the function of these load control provisions at any time.

CREDITS FOR LOAD CONTROL

Payments will be made to the Customer as a billing credit as follows:

<u>Billing Month</u>	<u>Credit</u>
July – October	\$ 8.00 per month

The total credits on any monthly bill shall not exceed 35% of the current monthly bill calculated on the appropriate rate schedule exclusive of such credits. In addition, the monthly bill shall not be less than the Basic Facilities Charge for the applicable schedule.

INSTALLATION FEE

Service under this Rider requires a circuit wired through a Company meter enclosure, exclusive of any other load, and suitable for the installation of a load control device. The Customer shall pay a fee as follows:

Prewired for load control service	No charge
Additional wiring for air conditioning service	\$35.00

The Company will not be required to install additional wiring for the charge listed above if the Company determines the wiring cannot be done in a manner which is economically feasible.

CONTRACT PERIOD

The Company offers a contract for customers allowing load control for an initial term of one year and thereafter until terminated by either party on thirty days' written notice. The Company reserves the right to terminate the Customer's contract under this Rider at any time upon notice to the Customer for violation of any of the terms or conditions of the applicable schedule or this Rider. If within the first year, the Customer wishes to discontinue load control service the Customer will pay a \$25.00 service charge.

South Carolina Original (Proposed) Leaf No. 71
Effective June 1, 2009
PSCSC Docket No.
Order No.

NON RESIDENTIAL SMART SAVER TM
ENERGY EFFICIENT PRODUCTS PROGRAM (SC)

PURPOSE

The purpose of this program is to encourage the installation of high efficiency equipment in new and existing nonresidential establishments. The program will provide incentive payments to offset a portion of the higher cost of energy efficient equipment.

PROGRAM

- Payments are available to owners of, or customer's occupying, new or existing nonresidential establishments served on Duke Energy Carolinas' general service rate and industrial rate schedules from Duke Energy Carolinas' retail distribution system.
- Payments are available for a percentage of the cost difference between standard equipment and higher efficiency equipment.
- The Company may vary the percentage incentive by type of equipment and differences in efficiency in order to provide the minimum incentive needed to drive customers to purchase higher efficiency equipment.
- The Company reserves the right to adjust the incentive, for specific equipment, on a periodic basis, as equipment efficiency standards change, and as customers naturally move to purchase higher efficiency equipment.
- The following types of equipment are eligible for incentives.
 - High efficiency lighting
 - High efficiency HVAC (cooling) equipment
 - High efficiency motors, pumps, and variable frequency drives
 - High efficiency commercial clothes washers
 - High efficiency food service equipment
 - High efficiency process equipment
 - Other high efficiency equipment as determined by the Company on a case by case basis.
- In order to receive payment under this program, the owner must submit an application before or within ninety (90) days of installation, along with the required documentation and verification that the installed efficiency measures meet the requirements of this program. The Company reserves the right to inspect the premises of the customer both before and after implementation of the measure for which payment is requested. Payments will be made only after the equipment has been installed, and is operable, as verified by the Company.
- Multiple incentive payments may be requested for each establishment; however, the Company reserves the right to limit the payments per establishment per year.
- The amount of the incentive payment for various standard types of equipment will be filed with the Commission annually, for information, and posted to the Company's website at www.duke-energy.com.

PAYMENT

- The payment to the customer or owner will be an amount up to 50% of the installed cost difference between standard equipment and higher efficiency equipment.
- With Company approval, the customer or owner may designate that payment be made to the vendor or other third-party.

NONRESIDENTIAL ENERGY ASSESSMENT PROGRAM (SC)

PURPOSE

The purpose of this program is to assist nonresidential customers in assessing their energy usage and to provide recommendations for more efficient use of energy. The program will also help identify those customers who could benefit from other Duke Energy Carolinas Energy Efficiency programs.

PROGRAM

- This program is available to nonresidential customers served on a Duke Energy Carolinas' retail nonresidential rate schedule. The Telephone Interview Analysis and the On-site Audit and Analysis options are available only where the maximum kilowatt demand registered during the previous twelve (12) months is 500 kW or greater, or at the Company's option, for other nonresidential customers where, in the Company's sole opinion, an assessment would result in actionable recommendations for applicable to one or more of the customer's facilities on the Duke Energy Carolinas' system.
- The types of available energy assessments are as follows:
 - On-line Analysis. The customer provides information about its facility. Duke Energy Carolinas will provide a report including energy saving recommendations.
 - Telephone Interview Analysis. The customer provides information to Duke Energy Carolinas through a telephone interview after which billing data, and if available, load profile data, will be analyzed. Duke Energy Carolinas will provide a detailed energy analysis report with an efficiency assessment along with recommendations for energy efficiency improvements. A 12-month usage history may be required to perform this analysis.
 - On-site Audit and Analysis. An On-site Audit and Analysis are available for customers who have completed a Telephone Interview Analysis and where in the Company's sole opinion, the results indicate the likelihood for actionable energy efficiency measures. Duke Energy Carolinas will cover 50% of the costs of an on-site assessment. The customer's portion of the assessment will be refunded upon payment, by the Company of incentives for equipment installed under the Company's Nonresidential Smart Saver Program. The equipment incentive must be equal to or greater than 50% of the assessment cost paid by the customer. Duke Energy Carolinas will provide a detailed energy analysis report with an efficiency assessment along with recommendations, tailored to the customer's facility and operation, for energy efficiency improvements. A 12-month usage history may be required to perform this analysis. The Company reserves the right in its sole discretion, to limit the number of on-site assessments for customers who have multiple facilities on the Duke Energy Carolinas system. Duke Energy Carolinas may provide additional engineering and analysis, if requested and the customer agrees to pay the full cost of the assessment.

LOW INCOME ENERGY EFFICIENCY AND
WEATHERIZATION ASSISTANCE PROGRAM (SC)

PURPOSE

The purpose of this program is to assist low income customers with energy efficiency measures in their home to reduce energy usage.

PROGRAM

- This program is available to low income customers served on a residential rate schedule from Duke Energy Carolinas' retail distribution system.

- This program consists of two parts as follows:

Weatherization and Equipment Replacement Assistance is available for up to 5000 qualified customers on the Duke Energy Carolinas' system in existing, individually metered, owner-occupied single-family, all-electric residences, condominiums, and mobile homes.

- Funds are available for (i.) weatherization measures, and/or (ii.) refrigerator replacement with an Energy Star appliance, and/or (iii.) heating system replacement with a 14 or greater SEER heat pump. The measures eligible for funding will be determined by an energy audit of the residence.
- A home energy audit will be provided at no charge to the customer.
- Availability of this program will be coordinated through local agencies that administer state weatherization programs, and the agency must certify that the household income of the participant is between 150% and 200% of the federal poverty level.
- Participants are not eligible for payments under any other Duke Energy Carolinas Energy Efficiency Programs for the same energy efficiency measure provided under this program.

Energy Efficiency Products, such as energy efficiency starter kits and compact fluorescent light bulbs, not to exceed \$30.00 in value, are available to customers in existing, individually metered, residences, condominiums, apartments and mobile homes.

- Duke Energy Carolina will provide eligible Energy Efficiency Products to local assistance agencies to be distributed to low income customers who participate in an energy survey. Participants who receive an incentive under this program provision are not eligible to receive the same incentive under any other Duke Energy Carolinas Energy Efficiency program.

PAYMENT

Participants in the Weatherization and Equipment Replacement Assistance provision of this program will receive assistance with energy efficiency measures as shown below. Payments will be made to the administering agency on behalf of the customer.

1. Weatherization Tier 1. Homes with energy usage up to 7 kWh per square foot of conditioned space can receive up to \$600 for weatherization measures.
2. Weatherization Tier 2. Homes with energy usage more than 7 kWh per square foot of conditioned space can receive assistance of up to \$4,000 for weatherization measures.
3. Equipment Replacement
 - a) Replacement cost, up to \$610, for a refrigerator with an Energy Star refrigerator.
 - b) Replacement cost of an electric heating system, up to \$ 6600, with a heat pump having a Seasonal Energy Efficiency Ratio (SEER) of 14 or greater.

ENERGY EFFICIENCY EDUCATION PROGRAM (SC)

PURPOSE

The purpose of this program is to educate students about energy efficiency in homes and schools through energy efficiency curriculum, Duke Energy Carolinas' online home audit and on-site school audits.

PROGRAM

- This program is available, at the company's option, to K-12 students enrolled in public and private schools who reside in households served by Duke Energy Carolinas.
- This program provides eligible students the ability to perform an on-line energy audit of their home, and the ability to assist in an energy assessment of their school. Each eligible student who completes a home energy audit will receive an energy efficiency measure for their home, not to exceed \$30.00 in value, such as a package of compact fluorescent light bulbs or an energy efficiency starter kit.

South Carolina Original (Proposed) Leaf No. 152
Effective June 1, 2009
PSCSC Docket No.
Order No.

SCHEDULE HP-X (SC) HOURLY PRICING FOR INCREMENTAL LOAD

AVAILABILITY (South Carolina Only)

Available to non-residential establishments with a minimum Contract Demand of 1000 KW who qualify for service under the Company's rate schedules G, GA, I, GT, IT, OPT, or PG, at the Company's option on a voluntary basis. The maximum number of customers on the system to be served under this schedule is one hundred fifty (150).

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single, contiguous premises.

This Schedule is not available for a customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises and permits, for the delivery of such power. The Company shall not be liable to any customer or applicant for power in the event it is delayed in, or is prevented from, furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises and permits.

The Company may cancel this schedule at any time it deems necessary.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point at one of the following approximate voltages, where available:

Single-phase, 120/240 volts; or

3-phase, 208Y/120 volts, 460Y/265 volts, 480Y/277 volts; or

3-phase, 3-wire, 240, 460, 480, 575, or 2300 volts; or

3-phase, 4160Y/2400, 12470Y/7200, or 24940Y/14400 volts; or

3-phase voltages other than those listed above may be available at the Company's option if the size of the Customer's contract warrants a substation solely to serve that Customer, and if the Customer furnishes suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company's specifications.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the nearest office of the Company before purchasing equipment.

Motors of less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators. The Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

BILL DETERMINATION

The monthly bill under this schedule shall be the sum of the Baseline Charge, Rationing Charge, Incremental Demand Charge, Standby Charge (if applicable), Energy Charge, and Power Factor Charge (if applicable)

Where: Baseline Charge = \$ amount calculated from CBL

Rationing Charge = Sum of [(New Load kWh per hour – Reduced Load kWh per hour) X Hourly Rationing Charge]

Incremental Demand Charge = Incremental Demand KW X \$.25 per KW

Standby Charge = (see Provision for Customers Operating in Parallel with the Company)

Energy Charge = (a) + (b)

Power Factor Charge = (see Power Factor Adjustment)

Where:

(a) = Sum of [(New Load kWh per hour – Reduced Load kWh per hour) X Hourly Energy Charge]

(b) = Net New Load kWh X .5 Cents per kWh Incentive Margin, but not less than zero.

DEFINITIONS

Customer Baseline Load (CBL): The CBL (kWh per hour) is one full year (365 days) of the individual customer's hourly loads representing the customer's energy use and load pattern on the applicable qualifying rate schedule. The CBL, as agreed to by the Customer and the Company, is used to define the level of kWh in each hour, above which all kWh will be billed at the hourly energy prices described under Schedule HP-X.

Baseline Contract Demand: The maximum monthly billing demand of the CBL.

SCHEDULE HP-X (SC) (continued)

DEFINITIONS (continued)

New Load: New Load (kWh per hour) is the amount by which actual kWh in any hour exceeds the CBL kWh for the same hour.

Reduced Load: Reduced Load (kWh per hour) is the amount by which actual kWh in any hour is less than the CBL kWh for the same hour.

Net New Load: Net New Load (kWh per month) is the sum of New Load kWh per hour during the month less the sum of Reduced Load kWh per hour during the month.

Incremental Demand: The Incremental Demand for local distribution facilities (KW per month) is the amount by which the maximum integrated 30-minute demand during the month for which the bill is rendered exceeds billing demand used in determining the baseline charge for the same period.

Month: The term "month" as used in the Schedule means the period intervening between readings of electronic pulse data for the purpose of monthly billings. Such data will be collected each month at intervals of approximately thirty (30) days.

Contract Demand: The Company will require contracts to specify a Contract Demand which will be the maximum demand to be delivered under normal conditions.

RATE:

Baseline Charge: The Baseline Charge (\$/month) is determined each month by calculating a bill on the current revision of the customer's qualifying rate schedule using Customer Baseline Load for the month to arrive at the appropriate monthly demand and energy amounts. Provisions of the qualifying rate schedule, including Determination of Billing Demand, Adjustment for Fuel Cost, Extra Facilities Charge, Interconnection Facilities Charge, etc. will apply to the bill calculation used to determine the Baseline Charge.

Rationing Charge: The Rationing Charge (¢/kWh) consists of a generation component and/or a transmission component and/or a distribution component and will be determined on an hourly basis during the month. The generation component applies to any hour of the month when low reserve margins for available generation are expected to require the operation of combustion turbines. The transmission and/or distribution component applies to any hour during the billing month when the system demand is expected to exceed 90 percent of the forecasted summer peak demand. The transmission component applies to customers served from the transmission system. Both the transmission and distribution components apply to customers served from the distribution system. If none of the above conditions occur during the month, the Rationing Charge will be zero. The Rationing Charge will be communicated as described in Energy Price Determination.

Incremental Demand Charge: \$.25 per KW per month

Energy Charge: The Energy Charge (¢/kWh) is the hourly charge equal to expected marginal production cost including line losses, and other directly-related costs. The Energy Charge will be communicated as described in Energy Price Determination.

Incentive Margin: .5¢ per kWh which is applied to Net New Load, but shall not be less than zero.

MINIMUM BILL

The Minimum Bill will be calculated on an annual basis and will be the Baseline Charge, Rationing Charge, Incremental Demand Charge, Standby Charge and Energy Charge summed over the year. The total for the year of CBL Demand Charges plus Standby Charges plus Incremental Demand Charges plus the Incentive Margin applied to Net New Load, shall not be less than the total of \$17.88 per KW per year of Baseline Contract Demand plus \$3.00 per year multiplied by the difference between Contract Demand and Baseline Contract Demand.

DETERMINATION OF PRICING PERIODS

Each hour of the day is a distinct pricing period. The initial pricing period of the day is a one-hour period beginning at 12:00:01 a.m. and ending at 1:00:00 a.m. The last pricing hour of the day begins at 11:00:01 p.m. and ends at 12:00 midnight.

ENERGY PRICE DETERMINATION

Each business day by 4:00 p.m., the hourly Energy Charges, and Rationing Charges, if applicable, for the 24 hours of the following day will be communicated to the Customer. Prices for weekends and Company holidays will be communicated to the Customer by 4:00 p.m. on the last business day before the weekend or holiday. The customer is responsible for notifying the company if he fails to receive the price information.

SCHEDULE HP-X (SC) (continued)

PROVISION FOR CUSTOMERS OPERATING IN PARALLEL WITH THE COMPANY

If a customer has power generating facilities operated in parallel with the Company and the Baseline Charge is not calculated under Schedule PG, the Standby Charge, along with the paragraphs, Determination of Standby Charges and Interconnection Facilities Charge shall be applicable to service under this schedule. The Incremental Demand Charge does not apply to any incremental demand that is less than Standby Demand

PROVISION FOR CUSTOMERS SERVED UNDER RIDER IS

For customers served under Rider IS, the Interruptible Contract Demand shall be the same as that contracted for during the baseline period. Further, the calculation of the Effective Interruptible Demand (EID) each month will exclude all energy consumed above the CBL. The Rationing Charge will not apply to reduced load above Firm Contract Demand during the hours of interruption periods.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER PS

For customers served under PowerShare, Rider PS, the Maximum Curtailable Demand shall be the same as that contracted for during the baseline period and the PowerShare Firm Demand must be at least 200 kW less than the Customer Baseline (CBL). Further, the calculation of the Effective Curtailable Demand (ECD) each month will exclude all energy consumed above the CBL. The PowerShare Curtailed Energy Credit will apply to only the load curtailed between the Firm Demand and the smaller of the Forecasted Demand and the CBL, provided the Forecasted Demand is greater than the Firm Demand. The Hourly Energy Charge and Hourly Rationing Charge will not apply to HP Reduced Load above the PowerShare Firm Demand during a Curtailment Period.

POWER FACTOR ADJUSTMENT

The Company will adjust, for power factor, the kWh for any customer operating in parallel, and may adjust the kWh for any other customer served under this schedule. The power factor adjustment may result in a Power Factor Charge, if applicable, as follows:

Power Factor Charge = Sum of Hourly Load Correction Amounts for all hours in the billing period, but not less than zero,

Where:

Hourly Load Correction Amount = Hourly Load Correction kWh X Hourly Price

Hourly Load Correction kWh = [total hourly kWh X (.85 ÷ hourly power factor)] – total hourly kWh

ADJUSTMENT FOR FUEL COSTS

The Company's Adjustment for Fuel Costs is incorporated as a part of, and will apply to all service supplied under the Schedule, including determination of the Baseline Charge.

EXTRA FACILITIES CHARGE

A monthly "Extra Facilities Charge" equal to 1.7% of the installed cost of extra facilities necessary for service under Schedule HP-X, but not less than \$25, shall be billed to the Customer in addition to the bill under Schedule HP-X described under Bill Determination and any applicable Extra Facilities Charge included in the Baseline Charge.

MODIFICATIONS OF THE CBL

The CBL will normally represent a full year under the same rate design or structure, and may be reestablished every four years. Modifications to the CBL may be allowed at the option of the Company under certain situations. These situations may include, but are not limited to, the following:

- Adjustments of load patterns associated with annual plant shutdowns, or to smooth random variations in the load pattern, provided the modifications result in revenue neutrality
- One-time permanent modifications to the physical establishment capacity completed prior to initiating service on this schedule
- Adjustments to reflect any Company-sponsored load management program

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one and one-half percent (1 1/2%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Customer shall enter into a contract to purchase electricity under this schedule for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days previous notice of such termination in writing.

If the Customer requests an amendment to or termination of the agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company an early termination charge as set forth in the Company's Service Regulations.

South Carolina Seventh Revised Leaf No. 54

Effective June 1, 2009

PSCSC Docket No.

Order No.

RESIDENTIAL SMART SAVER™
ENERGY EFFICIENT PRODUCTS PROGRAM (SC)

PURPOSE

The purpose of this program is to encourage the installation of ENERGY STAR or other high efficiency products in new or existing residences. The program will provide incentives to offset a portion of the higher cost of higher efficiency products.

PROGRAM

- Incentives are available to builders of new residences or to owners of, or customer's occupying, new or existing residences served on a Duke Energy residential rate schedule from Duke Energy Carolinas' retail distribution system provided; however, that incentives for energy efficient products considered to be fixtures are available only to builders or owners of residences served on the Duke Energy Carolina's retail distribution system.
- The types of equipment eligible for incentives may include but are not limited to the following:
 - High efficiency lighting
 - High efficiency clothes washers
 - High efficiency refrigerators
 - High efficiency dishwashers
 - Other high efficiency equipment as determined by the Company on a case by case basis, but not including water heaters, heating or cooling systems.
- Incentives may be offered in a variety of ways including, but not limited to discount coupons, in-store promotions, on-line discounted purchases, etc.
- The Company's incentive will be an amount up to 50% of the installed cost difference between standard equipment and higher efficiency equipment; however, the incentives for high efficiency lighting may be higher than 50%. Incentives for certain products will be provided only in conjunction with incentives provided by manufacturers, distributors, or retailers during promotional periods.
- Incentives under this program are only available for ENERGY STAR or other energy efficiency products for which incentives pass the Company's Utility Cost Test (UCT).
- The Company may vary the incentive by type of equipment and differences in efficiency in order to provide the minimum incentive needed to drive customers to purchase higher efficiency equipment.
- The Company reserves the right to adjust the incentive, for specific equipment, on a periodic basis, as equipment efficiency standards change, and as customers naturally move to purchase higher efficiency equipment.
- The amount of the incentive payment for various standard types of equipment will be filed with the Commission, for information, and posted to the Company's website at www.duke-energy.com.
- Incentives may be limited to one of any product, per residence, under all Duke Energy Carolinas' Energy Efficiency Programs.
- With Company approval, the builder, owner or customer may designate that incentive be provided to the vendor or other third-party.

RESIDENTIAL SMART SAVER™
PROGRAM FOR AIR CONDITIONING (SC)

PURPOSE

The purpose of this program is to encourage the installation of high efficiency central air conditioning (cooling) systems.

PROGRAM

- Payments are available for heat pumps and central air conditioning systems in new or existing individually-metered residences, condominiums and mobile homes served by Duke Energy Carolinas' residential rate schedules from Duke Energy Carolinas' retail distribution system.
- The new central air conditioning system or heat pump must have a Seasonal Energy Efficiency Ratio (SEER) of 14 or more and also include an electronically commutative fan motor (ECM fan) on the indoor unit. Geothermal heat pumps must have an Energy Efficiency Ratio (EER) of 11.5 or more and include an ECM fan on the indoor unit. The Heating Seasonal Performance Factor (HSPF) for electric rating for electric heat pumps must be 8.2 or more.
- The new Heating Ventilation and Air Conditioning (HVAC) system must include a properly matched outdoor unit and inside coil, which must be listed as such by the American Refrigeration Institute (ARI). This listing is available at www.ahridirectory.org.
- Payments are available to the builder of a new structure, (or his designee) and to both the owner and to the HVAC dealer (or sales representative) who sells and installs the HVAC system in existing structures.
- Heat pumps and central air conditioning systems must be installed by a Duke Energy Carolinas participating HVAC dealer.
- Heat pumps may use natural gas or any fuel for supplemental or backup heating.
- To qualify for payment under this program, qualifying systems must be installed on or after (date) and the application for payment must be made within 90 days of installation.

PAYMENT AMOUNT

Payments will be made for qualifying HVAC equipment as follows:

New Residences

A payment of \$300 per unit will be made to the builder or the builder's designee.

Existing Residences

A payment of \$200 per unit will be made to the owner of the residence, and

A payment of \$100 per unit will be made to the HVAC dealer (or sales representative) who sells and installs the HVAC system.

South Carolina Original (Proposed) Leaf No. 154

Effective June 1, 2009

PSCSC Docket No.

Order No.

RESIDENTIAL ENERGY ASSESSMENT PROGRAM (SC)

PURPOSE

The purpose of this program is to assist residential customers in assessing their energy usage and to provide recommendations for more efficient use of energy in their homes. The program will also help identify those customers who could benefit most by investing in new energy efficiency measures, undertaking more energy efficient practices and participating in Duke Energy programs.

PROGRAM

- This program is available for residences served on Duke Energy Carolinas' residential rate schedules from Duke Energy Carolinas' retail distribution system.
- The Company may require a minimum number of months of historical usage data before performing an analysis under one of the options available to customers as follows:

Energy Analysis

The customer provides information about their home, family, appliances, equipment and energy usage through an online energy survey. Customers without internet access may complete a mail-in survey. Duke Energy Carolinas will create a customized energy report including energy saving recommendations.

On-site Audit and Analysis

Duke Energy Carolinas will perform on-site assessments of owner-occupied residences and their energy efficiency related features where the customer's average monthly energy usage during the summer months exceeds 1000 kilowatt hours. Assessments may be limited to one per residence during the life of this program. Duke Energy Carolinas will provide a detailed Home Energy Assessment including energy efficiency recommendations.

- Participating customers will be offered a home energy efficiency measure, not to exceed \$30.00 in value, such as an energy efficiency starter kit or compact fluorescent light bulbs. The incentive may be delivered in a variety of ways including but not limited to, direct mail, rebates, discount coupons, in-store promotions or online discounts.
- Energy efficiency measure incentives are not available under this program if the customer has previously received the same incentive for this or any other Duke Energy Carolinas Energy Efficiency Program.

Service Agreement

Commencement Date: _____
(to be provided by Duke Energy)

Customer Information

Company Name ("Customer") «Company_Name» Facility Name: «Facility_Name»

Service Address «Service_Address»

City «City» State «State» Zip Code «Zip_Code»

Electric Service Agreement

Duke Energy Account Number «Duke_Energy_Account_Number» Contract Demand «Contract_Demand»

Rate Schedule «Rate_Schedule»

Select Program Options: ^(a)

☐ **Mandatory Option (may also select Voluntary Option)**

☐ **Mandatory Option for Hourly Pricing**

Term (years): Three (3)

Facilities Fee: \$ 40.00 per month

Firm Demand ^(b) (kW): _____

☐ **Voluntary Option**

Term (years): One (1)

Facilities Fee^(c): \$ 40.00 per month

☐ **Generator Option:**

Term (years): Three (3)

Facilities Fee: \$ 155.00 per month per generator meter

Total Maximum Curtailable Demand ^(d) (kW): _____

If, in Duke Energy's sole opinion, cellular communication technology cannot be utilized to retrieve data from the Customer's generator meter, the Customer may still participate in the Generator Option by providing, at its sole expense, a dedicated telephone line sufficient for such purposes. In such a case, the Meter Facilities Fee will be reduced by \$ 30.00.

Generator Information (insert additional rows as needed)

Generator #	Nameplate Rating (kVA)	Maximum Curtailable Demand (kW)	Facilities Fee per Generator Meter
1			
2			
3			
4			
Total			

Customer Contact Information

On employees who should have access to MyDuke.com curtailment information and / or the ability to nominate load for voluntary curtailment ^(e):

Name \ Address \ Business Phone No. \ Mobile Phone No. \ Fax No. \ Pager No. \ Email Address \ SMS Email Address (100 character pager address)

Footnotes:

Customers electing to decline the Transition Provisions may provide a letter to Duke Energy conveying the decision prior to their Commencement Date

Customer-owned generators may not operate in parallel with the Duke Energy system, with 2 exceptions. Contact your Duke Representative for additional information.

1. Momentary paralleling is allowed, subject to prior review and approval by Duke Energy.

2. Parallel operation is allowed under Schedule HP (NC) subject to the interconnection provisions of Schedule HP (NC).

(a) Mandatory Option for Hourly Pricing and Generator Option not available in combination with any other Options.

(b) Value must be at least 200 kW less than Contract Demand. Additional requirements apply to the Hourly Pricing Option.

(c) Not applicable if the Mandatory Option was also selected.

(d) Value must be at least 200 kW.

(e) Customer shall enter contact information into MyDuke.com on employees who should be notified of pending Curtailment Periods.

This PowerShare Service Agreement ("Agreement") is entered into between Customer and Duke Energy. Customer shall be enrolled in Duke Energy's PowerShare program pursuant to the terms and conditions hereof.

1. Service: (a) Upon Duke Energy's readiness to provide such service to Customer, including without limitation installation of necessary Facilities, as defined below, at Customer's premises and receipt of necessary historic meter data, Duke Energy shall provide and Customer shall receive service under Duke Energy's PowerShare Non-Residential Load Curtailment program, Rider PS ("PowerShare") , as further set forth herein.

(b) Duke Energy shall provide prompt notice to Customer at the address set forth below of the satisfaction of the conditions set forth in Section 1(a) and the date ("Commencement Date") upon which Duke Energy shall commence providing, and Customer shall commence receiving, PowerShare service.

(c) The original minimum term, as that term is defined in the PowerShare Rider, shall commence on the Commencement Date. For avoidance of doubt, on and after the Commencement Date, Duke Energy shall provide Customer with Credits, and Customer shall respond to the curtailment requests of Duke Energy, all in accordance with the PowerShare Rider.

(d) Prior to the Commencement Date, Customer shall provide to Duke Energy contact information for those personnel to be contacted by Duke Energy for notification of Curtailment Periods and shall thereafter timely keep Duke Energy apprised of any changes to such contact information, all as further instructed by Duke Energy.

2. Facilities: (a) In order for Customer to participate in the PowerShare program, certain Facilities ("Facilities") may need to be installed on Customer's premises. Promptly after execution of this Agreement, Duke Energy will install and connect necessary Facilities on Customer's premises to enable Customer to receive PowerShare service. Customer shall provide Duke Energy safe and reasonable access to Customer's premises and facilities to allow Duke Energy to install such Facilities. Subject to Section 3, Facilities shall remain at all times the property of Duke Energy.

(b) Those Customers electing the Generator Option, in compliance with specifications provided by Duke Energy, shall (i) install and maintain a metering cabinet and (ii) install all other necessary metering equipment provided by Duke Energy.

3. Abandon in Place: In the event that Duke Energy provides Facilities for Customer under the Generator Option, and an event occurs under which Customer cannot or elects not to receive PowerShare service Duke Energy may, at its sole election, abandon any Facilities in place at the Customer's premises. Such abandoned Facilities shall become the property of Customer and Duke Energy shall have no further liability relating thereto.

4. Assignment: Customer may not assign or otherwise transfer this Agreement without the prior written consent of Duke Energy.

5. Tariffed Services: Customer acknowledges that Duke Energy's provision of PowerShare services hereunder is governed and controlled by the PowerShare Rider. On and after the Commencement Date, any conflicts between this Service Agreement and the PowerShare Rider shall be resolved in favor of the PowerShare Rider. To the extent this Agreement conflicts with any provisions of the Electric Service Agreement, the provisions of this Agreement shall control. The provision of PowerShare service hereunder shall in all respects be subject to and in accordance with all the terms and conditions of the PowerShare Rider, the applicable rate schedule, and Duke Energy's Service Regulations, as approved by the Commission, which are hereby incorporated by reference and made a part hereof as though fully set forth herein. Duke Energy's Service Regulations, the applicable rate schedule, and the PowerShare Rider are subject to change, revision, alteration or substitution, either in whole or part, upon order of the Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration, or substitution shall immediately be made a part hereof as though fully written herein, and shall nullify any prior provision in conflict therewith.

6. Miscellaneous: No waiver by either party of any default shall be deemed a waiver of any subsequent default. The Agreement constitutes the entire agreement of the parties and supersedes any oral or written understandings, proposals or other communications by the parties prior to this Agreement. If any provision of the Agreement is held to be invalid, such invalidity shall not affect the remaining provisions of the Agreement. Subject to Section 5, amendments to the Agreement must be in writing and signed by both parties. Headings are provided for the convenience of the parties, and shall not affect the interpretation of any provision.

Duke Energy Carolinas, LLC

By: _____
 Name: _____
 Title: _____
 Email: _____
 Fax: _____
 Date: _____

[Customer]

By: _____
 Name: _____
 Title: _____
 Mailing Address:
 Street: _____

 City: _____
 State/Zip: _____
 Email: _____
 Fax: _____
 Date: _____